

GOVERNMENT OF ANDHRA PRADESH  
A B S T R A C T

Labour Employment Training & Factories Department – Insurance Medical Services – Andhra Pradesh Dairy Development Co-operative Federation Limited, Hyderabad - Grant of exemption from E.S.I. coverage under Section 91 A of E.S.I. Act, 1948 – Rejected – Orders - Issued.

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LABOUR EMPLOYMENT TRAINING & FACTORIES (IMS) DEPARTMENT

**G.O.Rt.No. 552.**

**Dated:29.04.2010.**

**Read the following:-**

1. From the Executive Director, APDDCF Ltd, Lr Rc.No.106/IR-1/97, Dt: 12.12.2006
2. From the DIMS.,Lr.Rc.No.12628/P1/2008, dated: 11.03.2010.

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**ORDER:**

In the reference 1<sup>st</sup> read above, the Managing Director, Andhra Pradesh Dairy Development Co-operative Federation has stated that the wage ceiling for coverage under the E.S.I. Act has been enhanced from Rs.3,000/- to Rs.6,500/- a month with effect from 01.01.1997. He further stated that the High Court in its final order dated 03.02.2000, without going into the merits of the case, dismissed the W.P.2811/97 along with a batch of WPs and directed the petitioner-trade Unions to file application before the E.S.I. Court. The court also ordered that the stay shall continue till the disposal of the application before the E.S.I. Court. But, the Trade Union has not filed any application as on date. The Federation has also no knowledge of the pendency of any application before the E.S.I. Court. Therefore, after taking legal advice, they have issued orders to all their units on 30.01.2000 for implementation of the revised scheme with immediate effect, and the same is being implemented.

2. He has stated that the activities of Andhra Pradesh Dairy Development Co-operative Federation Limited have been declared as essential services, and any action by the E.S.I. authorities to freeze the bank accounts will adversely affect the small farmers/producers and supply of milk to consumers. There is no fault on the part of the management for non-implementation of the revised scheme, but due to the stay of the High Court. Unless, the Federation is exempted from the provisions of the E.S.I. Act for the period covered by the court stay orders, it would be difficult to the Organization to pay huge amounts. He, therefore requested the Government to consider exempting the Andhra Pradesh Dairy Development Co-operative Federation Ltd., from E.S.I. Coverage, during period covered by the High Court stay orders i.e. from 01.01.1997 to 30.10.2000. Other-wise, Andhra Pradesh Dairy Development Co-operative Federation would be put to irreparable loss.

3. In the reference 2<sup>nd</sup> read above, Director of Insurance Medical Services, A.P., Hyderabad has stated that the Exemption Committee in its meeting held on 08.03.2010, the committee unanimously found that the benefits and its scale are neither similar nor superior to the benefits as per the provisions of the Act. The Committee, therefore, unanimously recommended for not to grant exemption.

4. Government, after careful examination of the recommendations of the Standing Committee for Exemptions, have decided to reject the request of the Andhra Pradesh Dairy Development Co-operative Federation Ltd, Hyderabad for grant of exemption with retrospective effect from 01.01.1997 to 30.10.2000 under Section 90 and 91 A of E.S.I. Act, 1948, as the medical care and other facilities

claimed to have been provided by the employer to the employees of this group are inferior to the medical care and other facilities provided under the ESI Act,1948.

5. The Director of Insurance Medical Services, A.P., Hyderabad is requested to take necessary action in the matter accordingly.

(BY ORDER AND IN THE NAME OF GOVERNOR OF ANDHRA PRADESH)

BHANWARLAL  
PRINCIPAL SECRETARY TO GOVERNMENT

To

The Director of Insurance Medical Services, Andhra Pradesh, Hyderabad.

Copy to: Andhra Pradesh Diary Development Co-operative

Federation Ltd, Hyderabad.,Lalapet, Hyderabad – 500 017

The Regional Director, ESI Corporation, Hill Fort Road, Hyderabad.

Copy to P.A to Deputy Secretary, LET&F Department

Sf/Sc.

//FORWARDED : : BY ORDER//

SECTION OFFICER